



University of Chester



**This work has been submitted to ChesterRep – the University of Chester's
online research repository**

<http://chesterrep.openrepository.com>

Author(s): Sugandha Mahajan

Title: Analysing the impact of attrition rates in hospitality industry

Date: November 2010

Originally published as: University of Chester MSc dissertation

Example citation: Mahajan, S. (2010). *Analysing the impact of attrition rates in hospitality industry*. (Unpublished master's thesis). University of Chester, United Kingdom.

Version of item: Submitted version

Available at: <http://hdl.handle.net/10034/121405>

ANALYSING THE IMPACT OF ATTRITION RATES IN HOSPITALITY INDUSTRY

SUGANDHA MAHAJAN

**A dissertation submitted in partial fulfilment of the requirements of the
University of Chester for the degree of Master of Business Administration**



CHESTER BUSINESS SCHOOL

NOVEMBER 2010

Acknowledgement

This is a great opportunity to express my deepest gratitude to all the people who have motivated and supported me to complete this research on time because of which my Masters experience has been a remarkable occurrence.

My grateful thanks go to the following people without whom this study would not have been possible.

- My Parents- Mrs. Poonam Mahajan and Mr. Satish Mahajan
- My Dissertation supervisor Prof. Paul Webb
- Manager of the selected company
- Employees of various companies

Abstract

The purpose of this study is to analyse the impact of attrition rates in hospitality industry. The study majorly focuses on the increasing employee turnover, its causes and impact. It looks at various methods to improve employee retention in an organisation. Various human resource theories are used to analyse the employee behaviour in an organisation.

Literature review gives a background study to this research. It gives information about the previous study that had been done on employee turnover in hospitality industry. This chapter highlights causes and impact of employee turnover, and employee retention as a measure.

In research methodology, researcher has cited all the methods and techniques used for this study. Researcher has also given her choice of research methods and its justification.

In the next chapter findings and analysis are provided by using appropriate research methods. Analysis is done using semi-structured interviews, classic HR theories and case study.

In conclusion part, researcher has concluded her findings from the research and the responses received. The researcher has also given appropriate recommendations based on the research done. Limitations and challenges faced by the researcher are also cited at the end.

Declaration

This work is original and has not been submitted previously for any academic purpose. All secondary sources are acknowledged.

Signed:

Date:

1. Introduction

1.1 Background to the research	1
1.1.1 Employee retention and staff turnover	1
1.1.2 Hospitality Industry	1-2
1.2 Research questions and aims	2
1.3 Justification for research	2-3
1.4 Outline methodology	3-4

2. Literature review

2.1 Understanding staff turnover and retention	5-6
2.1.1 Impact on organisations	6-8
2.1.2 Improving employee retention	9-10
2.2 Hospitality industry	10-14
2.2.1 Causes of employee turnover	14-15
2.2.2 Impact on hospitality industry	15
2.2.3 Improving employee retention in hospitality industry	16-17
2.3 Importance of recruitment and selection in hospitality industry	17-18

3. Methodology

3.1 Introduction	19
3.2 Research philosophy	19
3.2.1 Justification for the selected paradigm	19-20
3.3 Research strategy	20-22
3.3.1 Justification for the selected methodology	22
3.3.2 Rejected methods	23
3.4 Research design	23
3.4.1 Semi-structured interview	23-25
3.4.2 Classic theories of human resource	25-26
3.4.3 Case study	26
3.5 Research procedures	26
3.6 Ethical considerations	27
3.7 Summary	27

4. Findings & analysis

4.1 Introduction	28
4.2 Findings & analysis of research strategies	28
4.2.1 Findings & analysis of classic theories of human resource	28
4.2.1 a) Maslow's hierarchy of needs	28-30
4.2.1 b) Herzberg's motivation-hygiene theory	30-31
4.2.1 c) McGregor's Theory X and Theory Y	31-32
4.2.2 Findings & analysis of semi-structured interviews	32
4.2.2.1 a) Human resource manager	32-36
4.2.2.1 b) Analysis	36-37
4.2.2.2 Employees	38-41
4.2.3 Findings & analysis of case study	41-42
5. Conclusions and recommendations	
5.1 Conclusions about the research objectives/aims	43
5.1.1 To understand employee retention, and employee turnover and its causes	43-44
5.1.2 To discuss the importance of recruitment and selection in hospitality industry	44
5.1.3 To study the impact of employee turnover in hospitality industry	44-45
5.1.4 An attempt to find solutions and provide recommendations for the problem	45
5.2 Conclusions about the research questions	45
5.2.1 Why employee retention is highest in hospitality industry?	45-46
5.2.2 How employee turnover can be reduced?	46
5.3 Limitations of the study	46-47
Bibliography	48-50
Appendices	51-52

1.1 Background to the research

1.1.1 Employee retention or staff turnover

The ratio of the number of workers that had to be replaced in a given time period to the average number of workers is the staff turnover or employee turnover. Simple ways to describe it are "how long employees tend to stay". If an employer is said to have a high turnover relative to its competitors, it means that employees of that company have a shorter average tenure than those of other companies in the same industry. High turnover can be harmful to a company's productivity if skilled workers are often leaving and the worker population contains a high percentage of novice workers (Taylor, 1998).

Employees leave organisations for many reasons. While some depart involuntarily as a result of dismissal, redundancy or forced retirement; the vast majority resign of their own volition – some to take up new jobs, other to take a permanent or temporary break from participation in the workforce, some to start new business of their own and some find new opportunities or prospects in other companies (Taylor, 1998). Effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. Also of concern are the costs of employee turnover (including hiring costs, training costs, productivity loss).

1.1.2 Hospitality Industry

Go, Monachello and Baum (1996) state that shifting travel markets, world-class competition, and escalating operating costs are forcing hospitality and tourism organisations to pay more attention than ever before to the needs and desires of their customers. This means that companies are having to find ways to become more responsive and create greater value for their customers. Despite the important role employees play in the success of service organisations, human resource management has traditionally been a weak link in the hospitality and tourism industry. In hospitality industry, staff turnover is generally acknowledged to be high, especially in

comparison with other industries. An HCITB report in 1984 suggested that staff turnover in the hotel and catering industry was possibly higher than in any other industry (Mullins, 1998). Much of the turnover is movement within the industry. Staff turnover is highest in the first few months of employment. Such turnover – the ‘induction crisis’ – is particularly disruptive and costly (Mullins, 1998).

Employees are important in any running of a business; without them the business would be unsuccessful. However, more and more employers today are finding that employees remain for approximately 23 to 24 months, according to the 2006 Bureau of Labour Statistics. The Employment Policy Foundation states it costs a company an average of \$15,000 per employee, including separation costs, paperwork, unemployment; vacancy costs, including overtime or temporary employees and replacement costs including advertisement, interview time, relocation, training and decreased productivity when colleagues depart. Providing a stimulating workplace environment in which fosters happy, motivated and empowered individuals, lowers employee turnover and absentee rates (Taylor, 1998).

1.2 Research questions & aims

Questions

- a) Why employee retention is highest in hospitality industry?
- b) How employee turnover can be reduced?

Aims

- To understand employee retention, and employee turnover & its causes.
- To discuss the importance of recruitment and selection in hospitality industry.
- To study the impact of staff turnover in hospitality industry.
- An attempt to find solutions and provide recommendations for the problem.

1.3 Justification for research

I have studied Bachelors of Science in Hospitality, Catering and Tourism as my first degree. I did my Industrial Training in a 5-star Boutique hotel, The Park New Delhi.

Whilst my last semester I got through one of the largest chain of 5-star hotels of India, The Oberoi New Delhi. I worked in front office department for more than a year. Presently I am working in a 4-star hotel, Doubletree by Hilton Chester hotel. I am working in Food and Beverage department as part time employee.

Being worked in different types of hotels like boutique, 4-star & 5-star, I noticed a same problem everywhere, which is high employee turnover. Retaining an employee for long time in the company seemed to be a problem in all the hotels. I also experienced that working environment in every hotel was different. I am looking forward to work in human resource department and when I spotted this problem I wanted to do research on it and find suitable solutions which will prove helpful to me in the future.

1.4 Outline methodology

Following data collection methods will be employed for the investigation of the research strategy:

- A literature review: A detailed review of academic literature, reference books, journal articles, review of secondary literature from the library and a review of material available via the Internet and University Intranet. This will be used to understand the people management, recruitment and retention in detail. The various theories of motivation and human resource management will help to formulate questions for semi structured interviews. Many psychological and management theories exist regarding the types of job content which is intrinsically satisfying to employees and which, in turn, should minimise external voluntary turnover. Examples include Herzberg's Two factor theory, McClelland's Theory of Needs, and Hackman & Oldham's Job Characteristics Model.
- Semi-structured interviews will be undertaken. The purpose of these interviews is to investigate the impact of employee retention on the company. This will provide valuable qualitative data for use in dissertation. The semi-structured interviews will also provide an opportunity to probe answers and

encourage the interviewee to elaborate or build on relevant points as well as commenting on points of relevance not previously considered.

The people identified to be interviewed include, the human resource manager and a few employees who left their hotel jobs.

- Classic HR theories: A theory or theories related to the research will be considered, which will help in understanding the employee turnover issue. It can also help in understanding employee retention and how to improve it. Also theory (or theories) can help in finding various solutions for the research issue.
- Case study: Case study will help in understanding the reality of the research. Considering a hotel, Doubletree by Hilton Chester hotel, will give broader knowledge of working of Human Resource department and its dealing. This will help to understand employee's feelings and expectations from their job and will also help to know the reasons for leaving one particular job.

2.1 Understanding staff turnover and retention

The ratio of the number of workers that had to be replaced in a given time period to the average number of workers is the staff turnover or employee turnover (Taylor, 2008). It is gaining or losing employees at a particular rate measured. It is measured for individual companies and for their industry as a whole. If an employer is said to have a high employee turnover relative to its competitors, it means that employees of that company have a shorter average tenure than those of other companies in the same industry. Employee turnover is not good for the organisations. High rate of turnover may lead to decrease in productivity, service delivery and spread of organisation's information or knowledge (naukrihub.com, 2010).

There could be many reasons for employee turnover, while some depart involuntarily as a result of dismissal, redundancy or forced retirement, the vast majority resign of their own volition – some to take up new jobs, others to take a permanent or temporary break from participation in the workforce, some to start new businesses of their own (Taylor, 1998). As per Taylor (1998) there are two types of employee turnover – voluntary and involuntary turnover. Taylor broadly defines that voluntary release or turnover includes all resignations not formally initiated by the employer. On the other hand involuntary release could be initiated by the employer. Taylor argues that voluntary release are avoidable and controllable which includes employees who quit primarily because of dissatisfaction with some aspect of their job or the organisation whereas involuntary are unavoidable that would have occurred anyway and uncontrollable reasons make that happen such as resignation by an employee because of ill health, relocation of spouses, etc.

Few reasons of voluntary release may be (naukrihub.com, 2010):

- Compensation package differences

- Job and employee skill mismatch: the job may be less or more challenging according to the employee
- Inferior facilities, tools, etc.
- Less recognition
- Less or no appreciation for work done
- Less growth opportunities
- Poor training
- Poor supervision
- Less work and life balance practices

As cited by Taylor, since the late 1990s, the overall national figure reported by the CIPD and CBI surveys has been between 15 and 20 percent, which is quite high by historical standards reflecting strong economic conditions and the presence of tight labour markets. By contrast, in the early 1990s recessionary conditions led to national turnover rates of only 10 percent. The more opportunity people have to move employers, the more likely they are to do so. As per Taylor many believe high turnover results in skills shortages and according to this theory, skills shortages constrain productivity, which leads to lower output and higher unemployment. Thus, changes in the labour market create ups and downs of the economic cycle.

2.1.1 Impact on organisations

Prior research has offered mixed conclusions based on both theoretical and empirical analysis and according to previous research that turnover has negative effects on operating performance due to disruption of existing routines. Others have suggested that firms may benefit from the innovative thinking or increased motivation that new workers bring to the job (scribd.com, 2010). There is no set level of employee turnover that determines at what point turnover starts to have a negative impact on an organisation's performance. Everything depends on the type of labour markets in which you compete. Where it is relatively easy to find and train new employees quickly and at relatively little cost (that is where the labour market is loose), it is possible to sustain high quality levels of service provision despite having a high turnover rate (cipd.co.uk, 2010). By contrast, where skills are relatively scarce, where recruitment is costly or where it takes several weeks to fill a vacancy, turnover is

likely to be problematic for the organisation. This is especially true of situations in which you are losing staff to direct competitors or where customers have developed relationships with individual employees.

Taylor (1998) argues that some writers have emphasised the potentially positive effects of a continuous transfusion of fresh blood into the organisation. This means some employee turnover positively benefits organisations. This happens when a poor performer is replaced by a more productive employee, and can happen when a senior retirement allows the promotion or acquisition of welcome 'fresh blood'. A functional turnover (that is, beneficial) serves to promote innovative ideas and methods and can thus renew a stagnating organisation. Moderate levels of staff turnover can also help to reduce staff costs in organisations where business levels are unpredictable month on month. When business is slack it is straightforward to hold off filling recently created vacancies for some weeks (cipd.co.uk, 2010).

Resignation from a valuable employee could be more damaging when they move on to work for competitors. As cited by Taylor (1998), aside from the costs directly associated with the resignation, there are further good reasons for employers to minimise the numbers of employees leaving. These include productivity losses, impaired quality of service, lost business opportunities, an increased administrative burden and employee demoralisation. Thus, it is safe to conclude that, for most organisations, turnover in excess of 5-10 percent has more negative than positive consequences.

Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employee. Employees today are different. They have got good opportunities in hand because of the wide market. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job (Taylor, 1998). It is the responsibility of the employer to retain their best employees. If they don't, they would be left with no good employees. A good employer should know how to attract and retain its employees.

It's not only the cost incurred by a company that emphasizes the need of retaining employees but also the need to retain talented employees from getting poached. The process of employee retention will benefit an organization in the following ways (nuakrihub.com, 2010):

- **The cost of turnover:** The cost of employee turnover adds a lot of money to a company's expenses. While it is difficult to fully calculate the cost of turnover (including hiring costs, training costs and productivity loss), industry experts often quote 25% of the average employee salary as a conservative estimate.
- **Loss of company knowledge:** When an employee leaves, he takes with him valuable information about the company, customers, current projects and past history (sometimes to competitors). Much time and money spent on the employee is expected to be returned in future. When the employee leaves, the investment is not realized.
- **Effects on customer service:** Customers and clients do business with a company in part because of the people. Relationships are developed that encourage continued sponsorship of the business. When an employee leaves, the relationships that employee built for the company are severed, which could lead to potential customer loss.
- **Turnover leads to more turnovers:** When an employee leaves, the effect is felt throughout the organization. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff.
- **Goodwill of the company:** The goodwill of a company is maintained when the attrition rates are low. Higher retention rates motivate potential employees to join the organization.
- **Regaining efficiency:** If an employee resigns, then good amount of time is lost in hiring a new employee and then training him/her and this goes to the loss of the company directly which many times goes unnoticed. And even after this a company can not expect same efficiency from the new employee.

2.1.2 Improving employee retention

The first two steps to take when developing an employee retention strategy are to find out:

- why employees in hard to recruit groups are leaving?
- what employee turnover among these groups is costing an organisation?

Data from exit interviews can be used to develop a costed retention strategy that focuses on particular causes of turnover in a particular organisation. Following are the elements which play a positive role in improving retention (cipd.co.uk, 2010):

- **Job previews:** A realistic job preview should be given to the prospective employees at the recruitment stage. One should not raise employee's expectations so that it effects later. Advances in technology present employers with increasing opportunities to familiarise potential candidates with the organisation before they accept a position.
- **Line managers accountable:** Line managers should be made accountable for staff turnover in their teams. Reward managers with a good record for keeping people by including the subject in appraisals. Line managers should be trained in people management and development skills before being appointed or promoted. Re-training opportunities should be offered to existing managers who have a high level of turnover in their team.
- **Career development and progression:** Organisations should try to maximise opportunities for individual employees to develop their skills and move on in their careers. Where promotions are not feasible, a company can look for sideways moves that vary experience and can make the work more interesting.
- **Consult employees:** Employees should be given enough chance to 'voice' through consultative bodies, regular appraisals, attitude surveys and grievance

systems. This will provide dissatisfied employees with a number of mechanisms to sort out problems before resigning. Where there is no opportunity to voice dissatisfaction, resigning is the only option.

- **Be flexible:** Wherever possible an employee's working hours preferences should be taken care of. Where people are forced to work hours that do not suit their domestic responsibilities they will invariably be looking for another job which can offer such hours.
- **Avoid the development of a culture of 'presenteeism':** Where people feel obliged to work longer hours than are necessary simply to impress management. Evaluation of individual commitment should be based on results achieved and not on hours put in.
- **Job security:** Organisations should provide as much job security as possible. Employees who are made to feel that their jobs are precarious may put a great deal of effort in to impress, but they are also likely to be looking for more secure employment at the same time. Security and stability are greatly valued by most employees.
- **Treat people fairly:** Discrimination against employees should be avoided. A perception of unfairness, whatever the reality when seen from a management point of view, is a major cause of voluntary resignations. While the overall level of pay is unlikely to play a major role unless it is way below the market rate, perceived unfairness in the distribution of rewards is very likely to lead to resignations.
- **Defend your organisation:** Organisations should defend themselves against penetration by headhunters and others seeking to poach your staff. Keep internal e-mail addresses confidential, refuse to do business with agents who have poached your staff, and enter into pacts with other employers not to poach one another's staff.

2.2 Hospitality Industry

As per Mullins (1998) hospitality as a collective term, may be interpreted in a number of ways. According to an HCTC Report it 'includes hotels, restaurants, pubs, clubs, cafes, guest houses, contract catering, public sector, industrial, hospital, education and leisure catering'. Mullins states the hospitality industry may also be divided into two major sectors: commercial, and industrial and public services. Commercial include accommodation, meals, licensed trade, and tourism and travel. Industrial and public services include industrial sector, public sector, and hospitals and residential homes.

Hospitality industry is a broad category of service industry that includes lodging, restaurants, event planning, theme parks, transportation, cruise line and additional fields within the tourism industry. It is a wide range of organisations offering food and beverage service and accommodation.

Go, Monachello and Baum (1996) state that shifting travel markets, world-class competition, and escalating operating costs are forcing hospitality and tourism organisations to pay more attention than ever before to the needs and desires of their customers. This means that companies are having to find ways to become more responsive and create greater value for their customers. In other words, they are having to devise systems to facilitate the delivery of improved customer service. The quality of an organisation's service delivery hinges in part upon its people. Despite the important role employees play in the success of service organisations, human resource management has traditionally been a weak link in the hospitality and tourism industry.

In hospitality industry staff turnover is generally acknowledged to be high, especially in comparison with other industries. A HCITB report in 1984 suggested that staff turnover in the hotel and catering industry was possibly higher than in any other industry (Mullins, 1998). Much of the turnover is movement within the industry. Staff turnover is highest in the first few months of employment. Such turnover – the 'induction crisis' – is particularly disruptive and costly (Mullins, 1998). Mullins (1998) says that although the HCTC (Hotel and Catering Company) report of 1994

reported labour turnover as much reduced from the 1984 report, the average turnover for all sectors was still too high at 26.8%. Turnover continued to remain higher in the commercial sector (almost double) compared with the catering services sector. Higher than average turnover was found in restaurants (35%), public houses and clubs (34%) and hotels (33%). Turnover was highest among operative staffs and lowest among managers.

However Taylor (2008) comments, a number of surveys are undertaken each year in the United Kingdom to establish overall turnover rates. The largest are those carried out by the CIPD and the CBI, but many others are organised by consultancies and employers' organisations and focus on specific industries. All the surveys reveal considerable fluctuations in turnover rates overtime, in different regions and between different industries. Survey carried out by CIPD give a general indication of substantial variation between industries, particularly when it is considered that the same industries (catering, retailing and call centres) top the table in most years. Taylor's statement and the table clearly states that hotels and catering industry suffers from highest turnover as compared to any other industry.

Turnover rates

Industry	Average Turnover 2007 (%)
Hotels & Catering	32.6
Retail & Wholesale	27.5
Media & Publishing	27.1
Construction	27.1
Call centres	24.6
Communications	23.5

As per an article from 'The Times of India' (2006) newspaper about 'Hotel industry faces attrition at the top level'; says today attrition in hotels is not restricted to entry level. With a large number of new properties on anvil and lucrative opportunities in other service segments, the churn at senior levels is happening. To cope, hotel chains are putting retention programmes in place and in turn poaching from other industries like financial services. Recently, Rajesh Punjabi, an investment banker, chucked his eight-year-old stint with Ambit Corporate Finance to join The Hilton as director

development for India. The reason for the shift? The excitement of working in a new business segment. Another segment that is seeing movement within the hotel industry is operations. Rajiv Kaul, a veteran in the hotel industry, moved from being area director at the Taj group in Mumbai. Kaul jumped over to rival Hotel Leela venture as senior vice-president, operations. The industry is responding to the attrition issue. At the entry and mid-management level, attrition rates have doubled over the last three years. Sources say the industry is shaking off the perception of being a poor pay master with little concern for employee welfare.

However another article by 'Express Hospitality' (India, 2007) states that the attrition rate in the hospitality industry is set to double to nearly 50 per cent by 2010, up from the earlier 25 per cent, thanks to rapid expansion, reveals a study conducted by Associated Chambers of Commerce & Industry of India (ASSOCHAM). The study also predicts that due to further expansion in the hospitality sector in the Middle East and Europe, there will be a huge demand for trained and skilled personnel in large numbers, in next three years.

An article by Menafn.com (UAE, 2008) about 'Middle East hotel industry faces high attrition rates' states Employee recruitment and retention are one of the major issues facing the middle east hotel industry with only 10% of staff expected to look for career opportunities within their current property, says a report by Catererglobal.com. The report, which will be launched at Arabian Travel Market 2008, the Middle East's premier travel and tourism event, surveyed over 3,000 hospitality professionals from across the region. When asked what employees next career move would be, an additional 10% said they would consider a move within the hotel group they currently for. According to the report's authors, this high attrition rate implies that retention is an area that regional hotels need to dedicate more attention to if they are to continue to operate successfully.

A report by Audit Commission (2002), states the UK labour market is currently highly competitive with unemployment at a historically low level. This means that all employers have to compete harder to attract and retain staff. Within this context, there are widespread reports of recruitment and retention problems.

Hence, it can be said that every part of the world is facing high attrition rate in hospitality industry. Employees are important in any running of a business; without them the business would be unsuccessful. However, more and more employers today are finding that employees remain for approximately 23 to 24 months, according to the 2006 Bureau of Labour Statistics. The Employment Policy Foundation states it costs a company an average of \$15,000 per employee, including separation costs, paperwork, unemployment; vacancy costs, including overtime or temporary employees and replacement costs including advertisement, interview time, relocation, training and decreased productivity when colleagues depart. Providing a stimulating workplace environment in which fosters happy, motivated and empowered individuals, which lowers employee turnover and absentee rates. Promoting a work environment that fosters personal and professional growth promotes harmony and encouragement on all levels, so the effects are felt company wide (Taylor, 2008).

As cited in Rediff India Abroad, according to Rabinder Singh Bedi, president, Hotel & Restaurant Association (Western India), the attrition rate of the hotel industry is as high as 35-40 per cent. Bedi says “The industry needs to tackle the high attrition rate. We are losing most of our staff to the IT & ITeS sector, airlines, cruise liners and even hotels in Dubai and Europe at times. Surprisingly, it is happening at all the levels and not just at the top level.”

2.2.1 Causes of employee turnover

As per an article in academon.com, most people believe those in the hospitality industry work long hours, earn a low income and have very little chance for advancement in their career. The industry actually offers a wide selection of jobs with flexible hours. Hotels and restaurants are attempting to change their image by showing prospective employees the many benefits now being offered, which include training programs and the chance for advancement within the company.

However, another article cites, "It is predicted that under different economic cycles, different HRM practices have differential impact on employee turnover. Typically, in an economic recession, employees are less willing to quit their jobs because there are

fewer employment options available. Therefore, everything else being equal, those who do quit during an economic recession may have to be more dissatisfied with certain HRM practices compared to those who quit during an economic boom." Employees leave for a variety of reasons, including poor supervision, unchallenging positions, limited advancement opportunities, lack of recognition, limited control over work, perceived pay inequity, and the perception of more favourable opportunities in other companies. High employee turnover is one of the greatest causes of declining productivity.

2.2.2 Impact on hospitality industry

An organization is as good as its people, and nobody can deny the fact that manpower is the greatest asset of a company. Moreover high attrition rates incur major costs to the company including recruiting expenses, training expenses, unemployment insurance and guest service of a quality less than one has been striving for (Mullins, 1998). Although the impact of employee turnover is same on hospitality industries as in other organisations but being a service industry it faces more problems than the one's mentioned above.

As per an article (articlebase.com, 2007), Employee turnover figure in the hospitality industry is a whopping 50%, enough to make employers lose sleep over the tangible and intangible costs of employee turnover. Turnover has an immediate effect, particularly in customer service-dependent areas of the business. A vacant position means more work for the remaining employees, without making a compromise on the customer service front. Little wonder then, that hospitality companies with low turnover rates report higher customer satisfaction and higher profits.

As cited by Go, Monachello and Baum (1996), service in the hospitality and tourism industry involves an interpersonal transaction that takes place between a customer and a complex human delivery system. It is the interaction between the frontline employee and the customer, known as the "service encounter" or the "moment of truth," that has the most direct impact on the customer's level of satisfaction and overall perception of the organisation. However, all employees play a role in the service delivery

process. To ensure consistently high service, it is important that these human resources be well-managed and that their talents be fully utilised.

2.2.3 Improving Employee Retention in Hospitality Industry

In hospitality industry, an organisation or hotel should consider following points when planning for employee retention (articlebase.com, 2007):

- **Respect:** Any relationship blooms under the swathe of respect. It is, therefore, important for the employers to honour cultures, languages, traditions, and age of their employees.
- **Transparent policies and procedures:** After induction, employees need to be educated about the policies and working procedures of the hotel. Keeping them transparent, fair and consistent will help employees see the hotel in good light.
- **Recognition of performance:** Compensation in terms of bonuses, rewards, peer recognition etc. is necessary as a recognition strategy. Innovative performance based perks such as an insurance cover and time off can also be included in these.
- **Training programs:** Development initiatives and training programs should be made a part of the job. Repeated training is a good way to ingrain particular concepts into employees' minds. Such initiatives help employees hone their skills at the same time allowing the hotel to use them as per their requirement. Employees are also glad at the prospect of career development through continuous training.
- **Discuss career paths:** Career development is important to everyone. Organisations should advice and help on their employees' career development, highlighting how their job will cater to their needs. Employees should be made to feel that the employer is interested in investing time and money in them

provided they stick to their job. This will help both employer and employee achieve mutual goals.

- **Make yourself approachable:** Making employees feel comfortable enough to share their problems with the management always helps. Managers, who take weekly rounds of departments finding out the way employees function and whether anybody has a grievance, make them appear friendly and approachable.
- **Analyze:** Finding out the reasons for the turnover rates at the hotel is very important. This can be effectively done through exit interviews of the employees planning to leave. HR department should be trained in doing these and should derive an inference from the answers to such questions which will help to give an insight into the needs of the employees and allows employer to sort out any problem areas.
- **Conduct employee surveys:** Giving out questionnaires to be filled in by the working people to gauge what they think about working with the hotel will help in bringing up issues that need immediate attention. Employers should be prepared to address them as this will lead to employee satisfaction.
- **Make working fun:** Social groups should be formed within the organization, wherein the staff can mingle. Arranging outings or making a newsletter that carries information about and for the employees that is important to them. Find out if any of the staff members is volunteering for a socially responsible group. If yes, plan a donation for it, or at least make a recognition of his contribution to society by patting him on the back.

2.3 Importance of Recruitment and Selection in hospitality industry

Generally recruiting and selecting people to fill new or existing positions, is a crucial element of human resource activity in all tourism and hospitality organizations, irrespective of size, structure or activity. As cited by Mullins (1998), the human

element plays a major part in the overall success of any organisation, but especially so in a service industry such as hospitality. Many members of the workforce are in direct contact with the customer and are seen as being involved in achieving the objectives of the organisation. The quality of service offered is dependent not only upon the skills but also upon the attitudes of the staff. Both are essential if the demands of the customer are to be met satisfactorily. This places particular importance on the personnel function.

As cited by Taylor (2008), the terms 'recruitment' and 'selection' are often considered together, but they are in fact distinct human resource management activities. While recruitment involves actively soliciting applications from potential employees, selection techniques are used to decide which of the applicants is best suited to fill the vacancy in question. Taylor also argues that recruitment can be characterised as a positive activity that requires employers to sell themselves in the relevant labour markets so as to maximise the pool of well-qualified candidates from which future employees can be chosen. By contrast, selection can be seen as a negative activity, in so far as it involves picking out the best of the bunch and turning down the rest.

3.1 Introduction

The aim of the research is to understand the reasons and impact of employee turnover in hospitality industry. This chapter provides an overview of various methods used such as semi-structured interviews, etc. It also specifies research philosophy, its design and procedures. The chapter also mentions the ethical consideration for the research taken.

3.2 Research Philosophy

The research will adopt an interpretive philosophical approach. Interpretivism advocates that it is necessary for the researcher to understand differences between humans in our role as social actors. This emphasises the difference between conducting research among people rather than objects such as trucks and computers. Crucial to the interpretivist philosophy is that the researcher has to adopt an empathetic stance. The challenge here is to enter the social world of our research subjects and understand their world from their point of view (Saunders, Lewis & Thornhill, 2009). Interpretivism is that, people in societies and groups form their interpretation of reality, which is influenced by their values and their way of seeing the world; other people's interpretation; and the compromises and agreements that arise out of the negotiations between the first two (Fisher, 2007 p. 21).

3.2.1 Justification for the selected paradigm

Interpretivist research is adopted because it has subjectivists view, which is a social phenomena created from perceptions and consequent actions of social actors. This philosophy explores the subjective meanings motivating the actions of social actors in order for the researcher to be able to understand these actions (Saunders, Lewis & Thornhill, 2009). In this research I am studying the factors motivating the employees to leave hotels they work in and the impact of it on the hotels. Subjectivism is a continual process in that through the process of social interaction the social phenomena are in a constant state of revision. The stress is on the necessity to study 'the details of the situation to understand the reality or perhaps a reality working behind them' (Saunders et al., 2007 p. 111). The research is based on Social

constructivism. As cited by Saunders et al. (2009), Social constructivism views reality as being socially constructed. Social actors may place many different interpretations on the situations on which they find themselves. These different interpretations are likely to affect their actions and the nature of their social interaction with others.

However, realism philosophical research was also taken into consideration but later rejected because it is not considered suitable for this research. Realism is a philosophical position which relates to scientific enquiry. As cited by Saunders et al. (2009 p. 114) the essence of realism is that what the senses show us as reality is the truth: that objects have an existence independent of the human mind. In this sense, realism is opposed to idealism, the theory that only the mind and its contents exists. Fisher (2007 p. 42) argues the realist researchers into management believe, with the positivists, that the knowledge we gain through research can accurately mirror reality itself, although they think the mirror image may be distorted by the intrusion of subjectivity into the process of knowing. Positivism prefers 'working with an observable social reality and that the end product of such research can be law-like generalisations similar to those produced by the physical and natural scientists (Saunders et al., 2007 p. 113). However, the research title does not produce law-like generalisations instead it is interpreted by the perception of social actors.

3.3 Research Strategy

The research strategies used for this research are semi-structured interviews, classic human resource theories and case study. All these are qualitative methods of research and hence a single data collection technique is been used.

As cited by Saunders, Lewis and Thornhill (2009) there are two kinds of research approaches which are deductive approach and inductive approach. Deductive approach is the kind in which you develop a theory and hypothesis (or hypotheses) and design a research strategy to test the hypothesis. The inductive approach on the other hand, is the kind in which you would collect data and develop theory as a result of your data analysis. Where deduction owes more to positivism, induction is more to interpretivism.

- **Literature review:** The purpose of the literature review, to take a broader perspective, is to remove the need to rediscover knowledge that has already been reported (Fisher, 2007). The literature review helps researcher to build upon the work that has already been done in the field, researcher is researching. According to Saunders, Lewis and Thornhill (2009), reviewing the literature critically provides the foundation on which the research is built. Its main purpose is to help the researcher to develop a good understanding and insight into relevant previous research and the trends that have emerged.

- **Semi-structured interviews:** As per Fisher (2007), in this type of interviews the interviewer has a schedule to remind them of the main issues and topics that need to be covered by the respondent. The respondent has much latitude to respond to the questions in the ways that seem sensible to them. The respondent is also asked to think of occasions in their working life when they had to deal with a particular kind of issue. The interviewee chooses an incident and then is encouraged by the interviewer to explain the incident in full detail.

- **Classic human resource theories:** Human resource theories will help in understanding the research idea more clearly. This strategy will help in comparing the findings of the interviews with the classic human resource theories and will help in concluding if the literature review is similar to the research findings. It can also help in finding solution to the research problem.

- **Case study:** Saunders et al. (2009) defines case study as ‘a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real context using multiple sources of evidence’. They (Saunders et al.) also state that within a case study, the boundaries between the phenomenon being studied and the context within which it is being studied are not clearly evident. This strategy helps in gaining a rich understanding of the context of the research and the processes being enacted. The strategy also has considerable ability to generate answers to the question ‘why?’ as well as the ‘what?’ and ‘how?’ questions, although ‘what?’

and ‘how?’ questions tend to be more the concern of the survey strategy. Case study strategy is most often used in explanatory and exploratory research.

3.3.1 Justification for the selected methodology

The chosen research strategies for this research are semi-structured interviews, classic human resource theories and case study. The aim of the research is to understand employee turnover and its causes. The data chosen for the research is qualitative data. There are two types of data: quantitative and qualitative data. As cited by Saunders, Lewis and Thornhill (2009), quantitative is predominantly used as a synonym for any data collection technique (such as questionnaire) or data analysis procedure (such as graphs or statistics) that generates or uses numerical data. In contrast, qualitative is used predominantly as a synonym for any data collection technique (such as an interview) or data analysis procedure (such as categorising data) that generates or uses non-numerical data.

Semi-structured interviews will provide valuable qualitative data for use in research. It will also provide an opportunity to probe answers and encourage the interviewee to elaborate or build on relevant points as well as commenting on points of relevance not previously considered.

As cited by Saunders et al. (2009), theory is particularly helpful for research to predict and explain behaviour, and in this case it will help to study employee behaviour towards its job and organisation. As much of business and management is about people’s behaviours, for example consumers’ or employees’, a classic HR theory strategy can be used to explore a wide range of business and management issues. However, theory is not presentation of raw data instead it helps in drawing conclusions which contain theoretical insights.

The case study strategy helps to gain a rich understanding of the context of the research and the processes being enacted (Saunders et al. 2009). It helps to gain practical knowledge associated with the research issue and gives a broader view. However, the boundaries between the phenomenon being studied and the context within which it is being studied are not clearly evident.

3.3.2 Rejected Methods

There were few strategies which were initially considered for the research but later rejected. One of the rejected strategies was survey. The survey strategy is usually associated with the deductive approach and is most frequently used to answer who, what, where, how much and how many questions (Saunders et al. 2009). One needs to spend time ensuring that your sample is representative, designing and piloting your data collection instrument and trying to ensure a good response rate. It is very time consuming and needs lot of guidance about designing questionnaire for the survey. Hence the strategy was rejected.

Open interview was also rejected. It is a straightforward method. The interviewer engages in informal conversation with the respondent about a particular area of interest. In this type generally the respondent leads the direction of the interview (Fisher, 2007). This would have not helped in collecting the important data required for the particular problem, hence it was rejected.

Pre-coded interview was also considered as the strategy for the research but rejected. These interviews are controlled by the researcher unlike open interview (Fisher, 2007). In these interviews the interviewer generally reads from a prepared script and is expected not to deviate from it. These kind of interviews are controlled and do not provide much information as the interviewee is given options for the questions to answer and not given a chance to elaborate.

3.4 Research Design

As cited by Saunders, Lewis and Thornhill (2009), research design is “the general plan of how you will go about answering your research question(s)”. It contains clear objectives derived from research question(s), specifies the sources from which researcher intends to collect data, and considers the constraints that a researcher will inevitably have. It also explains how the data will be analysed.

3.4.1 Semi-structured interview

Semi-structured interviews will be taken from the human resource manager of 'Doubletree by Hilton Chester Hotel' and from few employees who left their hotel jobs. There are four main operational departments of a hotel: Food & Beverage department, Front Office department, Kitchen department and House Keeping department.

Following are the framed questions to be asked from the human resource department head:

- Q.1. What is the attrition rate or employee turnover rate of your hotel?
- Q.2. Which is the highly affected department by employee turnover?
- Q.3. What is the shortest time period an employee has ever stayed with the hotel?
- Q.4. What are the various reasons given by the employees for leaving the hotel?
- Q.5. What do 'you' think are the actual reasons for leaving the hotel?
- Q.6. What is the impact of employee turnover on your hotel? Specify both positive and negative impact.
- Q.7. What are the main problematic areas or problems faced by hotel because of employee turnover?
- Q.8. What is the approximate cost of replacing an employee?
- Q.9. What are the measures taken to improve employee retention?
- Q.10. What are your recruitment strategies?

The questions above are aimed to get knowledge of the hotel as a whole and are aimed to understand the human resource operations & procedures towards the problem of employee turnover.

Following questions are framed to be asked from the employees who left their hotel jobs for either other jobs or for other reasons:

- Q.1. What was your job title in the hotel?
- Q.2. How long did you worked for?

- Q.3. How did you find it initially when you started? Were you aware of your job duties and responsibilities?
- Q.4. What were there reasons which influenced you to leave the hotel?

The questions above are general and aimed to get information from employees regarding their feelings and satisfaction with their particular job. These questions will be asked from employees who were working not only in Doubletree by Hilton Chester hotel but also who were working in some of the Indian hotels.

3.4.2 Classic theories of human resource

In this strategy, a theory is used to compare and relate to the research idea. This research focuses on employee turnover, its causes, impact and measures to improve retention. The problem is based on employee behaviour towards his/her job and organisation. The theories that the researcher has used to study employee behaviour and job satisfaction are Maslow's hierarchy of needs, Herzberg's motivation-hygiene theory and McGregor's Theory X and Theory Y.

Maslow's hierarchy of needs suggested an ascending hierarchy of needs. As cited by Marchington and Wilkinson (2008), the theory suggests that people are motivated by a number of factors at work, aiming to satisfy one particular need before moving on to attempt to satisfy the next in the hierarchy. There are five levels of the hierarchy, from basic needs such as physiological requirements to higher needs such as self-fulfilment. In this hierarchical model, when a need is mostly satisfied it no longer motivates and the next higher need takes its place.

Frederick Herzberg's motivation-hygiene theory determines which factors in an employee's work environment cause satisfaction or dissatisfaction. Herzberg interviewed employees and asked them if what pleased and displeased them about their work. He found the factors causing job satisfaction (presumably motivation) were different from those causing job dissatisfaction (Marchington and Wilkinson, 2008).

McGregor's Theory X and Theory Y. Douglas McGregor proposed two theories to view employee motivation. He avoided descriptive labels and simply called the theories Theory X and Theory Y. As cited by Marchington and Wilkinson (2008), Theory X managers believe workers are lazy and uninterested in their work, and therefore have to be highly controlled and offered incentives to get them work harder. In contrast, theory Y managers believe workers can be motivated by goals of self-esteem and the desire to do a good job; consequently management's role is to facilitate this.

3.4.3 Case Study

The case study chosen here will be 'Doubletree by Hilton Chester Hotel. The case study is an attempt to examine a contemporary phenomenon within its real life context (Marchington and Wilkinson, 2008), hence the researcher will be able to understand employee turnover in a hotel in real. The researcher is working in 'Doubletree by Hilton Chester Hotel since April, 2010, and since then many employees have joined and left the hotel. The researcher is taking it as her case study because she will be able to access information. However, due to confidentiality laws, information given will be limited but it is expected that enough information related to the issue could be received.

3.5 Research Procedures

The interview of Human resource manager was taken in the hotel premises. A recording instrument was used to record her answers.

Interviews of employees who left the hotel were taken by e-mailing the questions prepared and the answers were received through e-mail itself. The researcher tried to interview 4-5 persons but was able to reach 3 of them.

Interview questions were qualitative and descriptive and candidates were given full freedom to elaborate or precisely answer the questions. Names of all candidates and

hotel names of few are not disclosed for confidential purposes and as per candidates' request.

3.6 Ethical Considerations

According to Saunders, Lewis and Thornhill (2009), ethics has important implications for the negotiation of access to people and organisations and the collection of data. The general ethical issue is that the research design should not subject those you are researching (the research population) to embarrassment harm or any other material disadvantage. The human resource department head was clearly informed about the purpose of the research. The research questions were aimed to be as general as possible, however few questions required approximate figures. It was left on the interviewee to answer questions as confidentially as he/she wants them to be disclosed.

3.7 Summary

An interpretivist philosophy was adopted as per the research idea, where the researcher could understand the research issue with empathy, which is crucial to this philosophy. Research strategies used in the thesis are literature review, semi-structured interview, classic HR theories and case study. However, few methods were rejected which were survey, open interview and pre-coded interview.

Semi-structured interviews are aimed to target human resource manager of Doubletree by Hilton Chester hotel and few employees who left their hotel jobs, not only from Doubletree but also from couple of Indian hotels. Three theories are chosen in research strategies which are Maslow's hierarchy of needs, Herzberg's motivation-hygiene and Douglas McGregor's Theory X & Theory Y. The researcher has also chosen Doubletree hotel as her case study. For ethical issues and confidentiality matters identity of the candidates, who were interviewed, are not disclosed.

4.1 Introduction

This chapter will comprise of all the findings from various research strategies chosen like literature review, semi-structured interviews, classic human resource theories and case study. The findings will then be analysed by comparing them with literature review and classic HR theories which will lead to some conclusion.

4.2 Findings & Analysis of research strategies

4.2.1 Findings & analysis of classic theories of Human resource

4.2.1 a) Maslow's Hierarchy of needs

As per Maslow's hierarchy of needs, motivation is driven by the existence of unsatisfied needs which are more important for individual employees. As cited by Marchington and Wilkinson (2008), the theory suggests that people are motivated by a number of factors at work, aiming to satisfy one particular need before moving on to attempt to satisfy the next in the hierarchy. In this regard, Abraham Maslow, developed a model in which basic, low-level needs such as physiological requirements and safety must be satisfied before higher-level needs such as self-fulfilment are pursued. It is most often displayed as a pyramid. In this hierarchical model, when a need is mostly satisfied it no longer motivates and the next higher need takes its place. Following are the needs of Maslow's hierarchy (Marchington and Wilkinson, 2008):

- Physiological needs: Physiological needs are those to sustain life, such as water, air, food, sleep, etc. These are metabolic requirements for survival in human beings. Maslow believed that these needs are the most basic and instinctive needs in the hierarchy because all needs become secondary until these physiological needs are met (psychology.about.com, 2010).

- Safety needs: Once physiological needs are met, one's attention turns to safety and security in order to be free from the threat of physical and emotional harm. Security needs are important for survival, but they are not as demanding as the physiological needs. Examples of security needs include a desire for steady employment, health insurance, safe neighbourhoods and shelter from the environment.
- Social needs: Once the person has met lower level, physiological and safety needs, higher level needs become important, the first of which are social needs. These include needs for belonging, love and affection. Relationships such as friendships, romantic attachments and families help fulfil this need for companionship and acceptance, as does involvement in social, community or religious groups.
- Esteem needs: Once a person feels a sense of belonging, the need to feel important arises. Esteem needs may be classified as internal or external. Internal esteem needs are those related to self esteem such as self respect and achievement. External esteem needs are those such as social status and recognition. Maslow later refined his model to include a level between esteem needs and self actualisation: the need for knowledge and aesthetics.
- Self-actualization: This is the highest level of Maslow's hierarchy of needs. It is the summit of Maslow's hierarchy of needs. It is the quest of reaching one's full potential as a person. Unlike lower level needs this need is never fully satisfied; as one grows psychologically there are always new opportunities to continue to grow. Self-actualizing people are self-aware, concerned with personal growth, less concerned with the opinions of others and interested fulfilling their potential. They tend to have needs such as truth, justice, wisdom, meaning, etc. Self-actualized persons have frequent occurrences of peak experiences, which are energised moments of profound happiness and harmony. According to Maslow, only a small percentage of the population reaches the level of self-actualization.

Limitations of the theory

While Maslow's hierarchy makes sense from an intuitive standpoint, there is little evidence to support its hierarchical aspect. Some reported that there was little evidence for Maslow's ranking of these needs and even less evidence that these needs are in hierarchical order. For example, some cultures appear to place social needs before any others.

4.2.1 b) Herzberg's motivation-hygiene theory

To better understand employee attitudes and motivation, Frederick Herzberg performed studies to determine which factors in an employee's work environment caused satisfaction or dissatisfaction. Herzberg interviewed employees and asked them if what pleased and displeased them about their work. He found the factors causing job satisfaction (presumably motivation) were different from those causing job dissatisfaction (Marchington and Wilkinson, 2008). He developed the motivation-hygiene theory to explain these results. He called the satisfiers 'motivators' and the dissatisfiers 'hygiene factors'. With the term hygiene he meant maintenance factors that are necessary to avoid dissatisfaction but that by themselves do not provide satisfaction.

According to Herzberg, factors that lead to satisfaction are: achievement, recognition, work itself, responsibility, advancement, growth, etc. Factors that lead to dissatisfaction are: company policy, supervision, relationship with boss, work conditions, salary, relationship with peers, etc. Herzberg reasoned that because the factors causing satisfaction are different from those causing dissatisfaction, the feelings cannot be simply treated as opposites of one another. The opposite of satisfaction is not dissatisfaction, but rather, no satisfaction. Herzberg argued that there are two distinct human needs portrayed. First, there are physiological needs that can be fulfilled by money, such as to purchase food and shelter. Second, there is the psychological need to achieve and grow, and this need is fulfilled by activities that cause one to grow.

Limitations of the theory

Critics of the Herzberg's theory argue that the two-factor result is observed because it is natural for people to take credit for satisfaction and to blame dissatisfaction on

external factors. Furthermore, job satisfaction does not necessarily imply a high level of motivation or productivity.

4.2.1 c) McGregor's Theory X and Theory Y

Douglas McGregor proposed two theories by which to view employee motivation. His theories were called 'Theory X' and 'Theory Y'. Both of these theories begin with the premise that management's role is to assemble the factors of production, including people, for the economic benefit of the firm (Marchington and Wilkinson, 2008).

Theory X assumes that the average person:

- Dislikes work and attempts to avoid it.
- Has no ambition, wants no responsibility, and would rather follow than lead.
- Is self-centered and therefore does not care about organisational goals.
- Resists change.
- Is gullible and not particularly intelligent.

Essentially, Theory X assumes that people work only for money and security. Under Theory X, management approaches can range from a hard approach to a soft approach. The hard approach relies on coercion, implicit threats, close supervision, and tight controls, essentially an environment of command and control. The soft approach is to be permissive and seek harmony with the hope that in return employees will cooperate when asked to do so. However, neither of these extremes is optimal. The hard approach results in hostility, purposely low-output, and hard-line union demands. The soft approach results in ever-increasing requests for more rewards in exchange for ever-decreasing work output. However, McGregor asserts that neither approach is appropriate because the assumptions of Theory X are not correct.

Theory Y makes the following assumptions:

- Work can be as natural as play and rest.
- People will be self-directed to meet their work objectives if they are committed to them.
- People will be committed to their objectives if rewards are in place that address higher needs such as self-fulfilment.

- Under these conditions, people will seek responsibility.
- Most people can handle responsibility because creativity and ingenuity are common in the population.

Under these assumptions, there is an opportunity to align personal goals with organisational goals by using the employee's own quest for fulfilment as the motivator. McGregor stressed that Theory Y management does not imply soft approach. He recognised that some people may not have reached the level of maturity assumed by Theory Y and therefore may need tighter controls that can be relaxed as the employee develops.

Theory Y holds, the firm can do many things to harness the motivational energy of its employees such as decentralisation & delegation, job enlargement, participative management, performance appraisals, etc (Marchington and Wilkinson, 2008).

4.2.2 Findings & analysis of semi-structured interviews

The semi-structured interviews were taken from various people, who included Human Resource manager of Doubletree by Hilton Chester Hotel and various employees who left their respective hotel jobs for some reason.

4.2.2.1 a) Human Resource Manager

The human resource manager of Doubletree by Hilton Chester hotel was asked few questions about employee turnover of their hotel. The questions are listed in chapter-3 Methodology.

a) Findings from question one

When asked about the rate of employee turnover of Doubletree by Hilton Chester hotel, the manager answered that though they have not got a proper system to measure employee turnover but as a percentage she said it is about 30 percent.

b) Findings from question two

When asked about the highly affected department by employee turnover, the manager answered “it is the food & beverage department which includes the chefs and the waiting-on staffs.” This means the highest turnover is in the kitchen department and the food & beverage service department.

c) Findings from question three

When asked about the shortest time period an employee has ever stayed with the hotel, manager answered “2 days”. It was strange to know that an employee left after 2 days of joining the hotel.

Reason for this could be anything, from better prospects somewhere else to not liking the work. When an employee leaves a job for not liking it, it is mostly because of not being aware of the kind of work.

d) Findings from question four

When asked about the various reasons given by employees for leaving their job, the manager answered mainly three particular reasons which were - poor induction, poor or no training and poor management of hotel. These reasons are mainly for entry level staff. “Managers fail to give good induction and training to the staff. They don’t give much information to the staff about the product and put them in busy shift in starting and if a guest asks some questions about the hotel, they don’t know and feel stupid about it. Entry level is expected to know a lot more it used to. They feel pressured; hence they need to be ready for the work. They need to be trained well before giving them shifts or work”, the manager answered.

e) Findings from question five

The manager was also asked, what she thinks are the actual reasons for employees leaving their job. The manager answered “I think its poor induction and training. These days work is harder and we expect a lot more from our staff. We expect the basic knowledge from our staff and they haven’t got it. So, it is important to give them training which we are not giving because one can be a waiter in a 5-star hotel and in a 4-star hotel. These are two different jobs because different organisations have different standards and guests of a 5-

star hotel will expect different from a 4-star hotel. So, from day one staff should be trained the standards an organisation follows so it does not affect the quality of service a guest expects. We expect our staff do it to our guests but we fail to do to our staff. We should be treating both our internal and external customers well.”

f) Findings from question six

When asked the impact of employee turnover on the hotel, both positive and negative, she answered, “positive would be to develop somebody or move internally to a different department. We are trying to develop people so that they move to next management level. We have created a training program to train people for assistant management level to clear all the departments. So, it is positive when somebody better themselves and obviously better within the company. The negative part is when we have to constantly replace staffs which affect our customers because quality of service gets affected. Other staffs will have to cover the work until we get new staffs, which sometimes lead to poor service to customers as we cut on the staff. It is very important to get right member staff and it takes time. We have an intense recruitment process because it is very important to get somebody who wants to work firstly and use their initiative and works not just for money.”

g) Findings from question seven

When asked about the main problems faced by the hotel because of high employee turnover, the manager answered “because of the huge skill shortage in the industry it takes time to hire the right employee. It is difficult to find qualified and skilled people. The skill shortage could be because of the nature of the industry like working long hours, working on weekends, etc. Staff should be given the hours they want to work for. High employee turnover also results in high recruitment cost. We have done open days, gone to fresher’s week of universities for hiring skilled people, talk to students for placements, we have gone to schools for work experience because it so difficult to go out and find the right staff. The time spent in hiring a new employee, paper work and training are all included. It also results in, the staff already working will

have to do extra hours till the new employee is hired which affects quality of service and this results in low customer satisfaction.”

h) Findings from question eight

When asked about the approximate cost of replacing an employee, she answered “for hiring a new employee one has to go through the whole recruitment process. It includes the advertising cost, putting the contract together just for one person, it takes assistance and time. It has to be put into the systems, HR system and payroll system. You have to buy new uniforms for the new staff. The training given to the staff also consumes time and money. It includes a week’s pay for employing somebody. The HR assistant is paid 269 pounds for his/her time in updating new employee’s details. The advert costs around 400 pounds. So, on an average it takes about 1000 pounds to replace an employee. There are interview times included, like first interview, second interview, etc.”

i) Findings from question nine

When asked about the measures taken to improve employee retention, the manager answered “we try to offer good benefits in our company to our employees. We provide uniforms and free parking which is very important because it costs a lot. We provide incentives to the employees in the form of employee of the month. We ensure that everybody gets tips or gratuities with their salary because all of these things make a difference and helps in employee retention. Training is also a very important part and found one of the main reasons for employee turnover. We ensure that everybody gets training. We try to give various parties to staff in the hotel like Christmas parties and lunches, autumn parties, etc. to show how much we care and we want them to enjoy their time here. We work to sort out bad management though it takes time to deal with bad manager. It does make a difference on employee retention. We listen to our staff and welcome their ideas because employer and employee relation is very important and it helps in retaining employees.”

j) Findings from question ten

When about the recruitment strategies, the manager answered “most important is to recruit the right people at the right time. To make sure we hire the right person we do a lot of interviews. We are a little fussy, we take first interview and then second interview and then still if we are not sure we take third interview. We try to make our package look attractive. We make them look the place they are going to work in. Probationary period is for the employee to make sure they have got time to develop. They get time to think if it is the right place to work and if they have got the right job. It also gives us the time to know if it is the right employee for us. We can’t actually say how long a person is going to stay with the company but try to make them stay at least a minimum of 8 months. When you are looking to students you know the turnover is going to be high but it can actually benefit in the peak season like Christmas and when students are good, they work harder they get a lot of hours because many of them want to work lot of hours. We have got casual contracts as well. Casuals have got flexibility and we have also got flexibility, and it works really well with them. So, the strategy is that they enjoy working in Doubletree hotel and making sure they get their induction and training. We don’t expect them to get it right at the first time because not all of us can get it right at the first time. We try to conduct exit interviews with all and we have to be smarter with these because exit interviews tell us exactly ‘why’ people are leaving.

4.2.2.1 b) Analysis

30 percent employee turnover is quite high as a percentage. As mentioned earlier in chapter-2, attrition rates are highest in hospitality industry as it is a service industry. The highly affected department by employee turnover in Doubletree by Hilton Chester hotel is Food & beverage department which includes both waiting-on staff and kitchen staff. Waiting-on staff has direct contact with customers and kitchen staffs are manufacturers of the product, which is food over here. This means employee turnover is inversely related to customers that is, it directly affects customer service which in turn affects customer satisfaction. The shorter an employee stays the higher the recruitment cost becomes. The organisation spends a lot on hiring a new employee.

Employee turnover is high with entry level staff in this hotel and the reasons stated by employees in their exit interviews are poor induction, poor training and poor management. This means employees are not happy with only joining the company but they would also like to know about the company and a lot about their job. They don't want to be unaware of their surroundings. Also, it was mentioned that they were not happy with the management. It is possible that they are not being heard by their managers and the company is also not taking any action for the same because of which employee turnover is high. The human resource manager herself feels that the employees are not given proper training and induction which is the reason employees feel stupid when they are asked something by the customers and they don't know the answer, hence they tend to leave.

The manager feels that the positive impact of employee turnover on the company is when employees move internally into other department. In a way it is, when an employee develops himself, gets promoted or transferred to other department. The hotel has also created a training programme for its employees so that they develop internally within the hotel. The negative impact is when employees leave the company and other employees have to cover for them because of which customer service gets affected which in turn affects customer satisfaction. Hiring a new employee takes a lot of time. It is difficult to retain employees these days; also there is a huge skill shortage in the industry. Also, replacing an employee is very expensive. As mentioned earlier in chapter-2, the cost of replacing an employee is 25 percent of the average employee salary, which includes advertisement, recruitment, training, uniforms, etc. The hotel is trying to improve employee retention by providing various benefits to their staff like uniforms, free parking, incentives in the form of 'employee of the month', various parties and lunches for staff. The company is also giving training to their staff. Management is trying to build a relationship with the employees by listening to them.

The hotel's recruitment strategy is to recruit the right people at the right time and for the right job. They take series of interviews to make sure they hire right people for the company. The company also tries to make sure that the employee enjoys and is happy in the job. Hotel takes exit interviews of employees to know the reasons for leaving their job which helps them to improve for future.

4.2.2.2 Employees

For confidentiality purposes the names of employees and couple of hotel names are not mentioned in the thesis. Employees are distinguished as employee A, B, C, etc. The questions asked from the employees are listed in chapter-3 Methodology.

Employee – ‘A’

Employee ‘A’ was working in an Indian Hotel as Front Office Assistant in Reception/Front Office department. On being asked if how long she/he was working for, the employee answered “1 year 6 months”.

About the initial experience and awareness of job duties and responsibilities the employee answered “I was aware of the duties and responsibilities as I am aware of working of a hotel and I was ready for it. Initially I was happy to get job in a 5-star hotel, so I was enthusiastic and wanted to give my best”.

When asked about the reasons which influenced him/her to leave the job, the employee answered “I left that hotel because I was not happy with my manager. I felt that she was biased for one of my colleague and always gave preference to her. However, that was not the only reason for me leaving my job. I was on a fixed-term contract with the hotel for 11 months and after completing 11 months in the hotel; I had an appraisal interview on which my confirmation, as for a permanent employee, was dependent. My appraisal went well (as for me) but my confirmation was stopped and my contract for fixed-term employee extended for a year. However, the reason was not being told, but it used to be for any employee. I did not want to work for another year as contracted employee hence I left my job. I am happy now as my work and effort is noticed by my new manager”.

Analysis

As per the answer of employee ‘A’, it is clearly visible that the employee was looking for growth and did not wanted to be stagnant in the same position. As per Maslow’s hierarchical theory, job security is a low-level need. It means every employee looks for security in job. Once this need is satisfied then only the employee moves on to another higher level need. Employee ‘A’ did not had job security as a contracted

employee and wanted to be permanent employee of the hotel which is why he/she left his/her job. Another reason told by employee 'A' was the relation with the manager. The employee was not happy with his/her manager which also influenced his/her to leave the job. As per Herzberg's theory the dissatisfiers or the hygiene factors include relationship with boss as one of the factors. This means that relationship with his/her boss also influenced employee 'A' to leave his/her job. Hence, this factor acted as a dissatisfier.

By relating the reasons, I can conclude that Maslow and Herzberg's theories are true to some extent or at least in this case.

Employee – 'B'

Employee 'B' was working in an Indian hotel in front office department as Front Office Assistant for 6 months. On being asked about the initial experience and awareness of job duties and responsibilities the employee answered "Yes, I was clearly aware as I did my graduation in hotel management, and I always wanted to work in a hotel. I also did my Industrial training in a well known 5-star hotel. Learning everything initially was fun. Gradually, I learned all the tasks of a front office assistant; I got responsibilities and used to handle my department on my own, which was very motivating".

It was surprising to know a motivated employee left the job within 6 months. When asked about the reasons which influenced him/her to leave the job, the employee answered "The main reason for leaving the hotel was exploitation and secondary reason was discomfort with one of the colleague. A standard shift in the hotel is usually for 9 hours and there is a break for 30 minutes during the shift. Initially, I used to work 9-10 hours a day, which was 6 days a week. By the time I was trained I started doing 12-16 hours a day and sometimes 18-20 hours also. It has also happened that I did my night shift and then did the next day morning shift as well, as the morning shift employee did not turn up because he was sick. If it happens rarely, it is acceptable but when it started happening quite often it doesn't make any sense to continue working because I was not being paid for the extra hours of work. This problem increased as the employee turnover increased. Also, I felt one of my colleague was not co-operative enough and my manager was also quite lenient to take

any action for the same, which affected others workload. Hence, I took this decision to move to other hotel where there was no problem of short staffing and extended hours”.

Employee ‘B’ was also asked if he/she thought before resigning that the problem of long hours of shift is a part of hotel industry and he/she could possibly face the same situation in any other hotel. The answer was “If extended shifts are rare like once or twice in a week, it is understandable but if it happens 4 or 5 times a week, it is not acceptable. Also that hotel suffered from shortage of staff which is why the problem was increasing, and the hotel’s management was not doing anything to solve it, in terms of recruiting new staff, because of which employees were suffering”.

Analysis

Employee B’s main reason for leaving was exploitation which could be categorised in ‘work conditions’ of Herzberg’s hygiene factors. This means extended hours of work or over loading of work led to dissatisfaction from the job. Also other working conditions like lenient manager and uncooperative employees acted as dissatisfiers. Hence, the employee was demotivated from the working conditions which led to voluntary release.

Employee – ‘C’

Employee ‘C’ was working in Doubletree by Hilton Chester hotel as Food & beverage assistant. The employee worked for one year and 9 months. About the initial experience and awareness of job duties and responsibilities the employee answered “I like everything about my job though I was not aware of the duties and responsibilities of a food & beverage assistant, as I didn’t had any previous hospitality experience. I made good friends there and the supervisors were also nice. In short, I enjoyed my work”.

When asked about the reasons which influenced him/her to leave the job, the employee answered “I was happy in my job until a new executive joined the restaurant team. He/she was also the assistant to restaurant manager. I found him/her quite rude. He/she used to talk rudely and insult employees even for a small mistake. I

also thought she was vindictive. She was fussy in granting desired holidays. So, she was the reason for me leaving my job in Doubletree by Hilton Chester hotel.

Analysis

Employee 'C' said that his/her boss was the reason to leave his/her job. As per Herzberg's theory of motivation-hygiene, relationship with boss could be a dissatisfier. The relationship shared with the boss was not healthy and the employee found him/her vindictive (revengeful) which led to voluntary release.

As per Douglas McGregor's Theory X, management approaches can range from a hard approach to a soft approach. The hard approach relies on coercion, implicit threats, close supervision, and tight controls, essentially an environment of command and control. As per employee C's statement, it seems that the executive used to follow a hard approach. However, with one employee's statement we cannot assume that, though the employee has stated that it was difficult to get desired holidays and a mistake used to end up in insult by the executive. Thus, we can conclude the reason for leaving the job was the particular executive's behaviour.

4.2.3 Findings & analysis of case study

As I am working in Doubletree by Hilton Chester hotel, it was a good opportunity for me to study the same hotel for my research idea. The hotel is suffering from high employee turnover that is high attrition rate. This problem is not just with Doubletree by Hilton Chester hotel but the whole hospitality industry. Before this job I have worked in one of the largest chain of hotels of India, 'The Oberoi hotels & resorts'. This hotel faced the same problem of high attrition rate. As per the secondary data collected for the research which is mentioned in literature review, shows that the highest attrition rate occurs in hospitality industry and second highest is in retail industry. A HCITB report in 1984 suggested that staff turnover in the hotel and catering industry was possibly higher than any other industry (Mullins, 1998). A very noticeable example could be Doubletree by Hilton Chester hotel.

I joined Doubletree hotel in April, 2010 and I am working till present. Since April, 2010 till today, five employees from my department itself have resigned and left their

job. However, most of them give 'education' as the reason for leaving their job but couple of them have left and moved to other organisations.

Out of those five employees one was the supervisor and was working in this industry for 6 years and with Doubletree hotel for one year and few months. He/she started working since the age of 16 in this industry, just after school and did not do graduation. He/she left Doubletree hotel for pursuing graduation though in a different industry that is media. It was surprising for me to know that a person who worked for 6 long years in hospitality industry, wanted to study media, which means he/she wanted to change his/her industry. One of the other employees left Doubletree hotel and joined retail sector. Reason being, she was not enjoying it anymore.

This means employees are not only leaving a particular hotel but also the industry, in some cases. It could be concluded that employees voluntarily leave for different reasons whether relationship with boss, job security or for change of industry, but turnover is highest within hospitality industry.

5.1 Conclusions about the research objectives/aims**5.1.1 To understand employee retention, and employee turnover & its causes**

The aim of the study was to understand the employee turnover and its causes; and employee retention. The ratio of the number of workers that had to be replaced in a given time period to the average number of workers is the staff turnover or employee turnover (Taylor, 2008). It is gaining or losing employees at a particular rate measured. It is measured for individual companies and for their industry as a whole. In this study employee turnover was studied in hospitality industry. As per the research employee turnover is the highest in hospitality industry. The secondary data collected in the research clearly shows that the hospitality industry suffers highest employee turnover. Also, the interview taken of the human resource manager of Doubletree by Hilton Chester hotel, shows that the hotel's attrition rate is 30 percent which is quite high.

The various reasons for employee turnover cited in chapter- 2 are compensation package differences, job and employee skill mismatch, inferior facilities or tools, less recognition, less or no appreciation for work done, less growth opportunities, poor training, poor supervision, and less work and life balance practices. As per the interviews taken of the human resource manager and employees who left their jobs, the various reasons came out were poor induction, poor training, poor management, employee and manager relationship, less growth opportunities, less work and life balance practices, working environment and poor supervision. As per the research, many of the reasons are similar to the reasons stated in the literature review.

Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employee (Taylor, 1998). It is the responsibility of the employer to retain their best employees.

If they don't, they would be left with no good employees. A good employer should know how to attract and retain its employees.

5.1.2 To discuss the importance of recruitment and selection in hospitality industry

Generally recruiting and selecting people to fill new or existing positions, is a crucial element of human resource activity in all tourism and hospitality organizations, irrespective of size, structure or activity. As cited by Mullins (1998), the human element plays a major part in the overall success of any organisation, but especially so in a service industry such as hospitality. Many members of the workforce are in direct contact with the customer and are seen as being involved in achieving the objectives of the organisation. The quality of service offered is dependent not only upon the skills but also upon the attitudes of the staff. Both are essential if the demands of the customer are to be met satisfactorily. This places particular importance on the personnel function.

5.1.3 To study the impact of employee turnover in hospitality industry.

Prior research has offered mixed conclusions based on both theoretical and empirical analysis and according to previous research that turnover has negative effects on operating performance due to disruption of existing routines. Others have suggested that firms may benefit from the innovative thinking or increased motivation that new workers bring to the job (scribd.com, 2010). Taylor (1998) argues that some writers have emphasised the potentially positive effects of a continuous transfusion of fresh blood into the organisation. This means some employee turnover positively benefits organisations. This happens when a poor performer is replaced by a more productive employee, and can happen when a senior retirement allows the promotion or acquisition of welcome 'fresh blood'.

However, there is negative impact of employee turnover as well. The cost of employee turnover adds a lot of money to a company's expenses. Industry experts often quote 25% of the average employee salary as a conservative estimate. When an employee leaves, he takes with him valuable information about the company,

customers, current projects and past history (sometimes to competitors). When an employee leaves, the relationships that employee built for the company are severed, which could lead to potential customer loss. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff. The goodwill of a company is maintained when the attrition rates are low. If an employee resigns, then good amount of time is lost in hiring a new employee and then training him/her and this goes to the loss of the company directly.

5.1.4 An attempt to find solutions and provide recommendations for the problem.

Employee turnover is a major problem these days faced by human resources in every industry, mostly in hospitality industry. Improving employee retention is the basic way to solve this problem. The various ways to improve employee retention are mentioned in the study. However, I feel if the managers tend to be more empathetic and try to understand their employees and their problems, the employees will remain happy and feel comfortable working with their superiors or bosses. It is important to build a good relationship with the employee and understand the needs and offer good benefits to make them stay longer. However, an employee can not be expected to stay for very long with one particular company because employees always tend to leave for better prospects. Hence, if any company offers better salary they (employees) leave the job for the same.

5.2 Conclusions about the research questions

5.2.1 Why employee retention is highest in hospitality industry?

In hospitality industry staff turnover is generally acknowledged to be high, especially in comparison with other industries. A HCITB report in 1984 suggested that staff turnover in the hotel and catering industry was possibly higher than in any other industry (Mullins, 1998). As per an article in academon.com, most people believe those in the hospitality industry work long hours, earn a low income and have very little chance for advancement in their career. The industry actually offers a wide

selection of jobs with flexible hours. Hotels and restaurants are attempting to change their image by showing prospective employees the many benefits now being offered, which include training programs and the chance for advancement within the company.

However, the actual reason for highest employee turnover in hospitality industry is not known and there were no separate reasons found other than the general reasons for employee turnover.

5.2.2 How employee turnover can be reduced?

Employee turnover can be reduced by the practice of employee retention. As discussed earlier, employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employee. There are few things to remember when planning employee retention in hospitality industry. It is important for the employers to honour cultures, languages, traditions, and age of their employees. Employees need to be educated about the policies and working procedures of the hotel. Compensation in terms of bonuses, rewards, peer recognition etc. is necessary as a recognition strategy. Development initiatives and training programs should be made a part of the job. Organisations should advice and help on their employees' career development, highlighting how their job will cater to their needs. Making employees feel comfortable enough to share their problems with the management always helps. Finding out the reasons for the turnover rates at the hotel is very important. This can be effectively done through exit interviews of the employees planning to leave. Conducting employee surveys also help to know what the employees think about working with the hotel which in turn helps in bringing up issues that need immediate attention. Social groups should be formed within the organization, wherein the staff can mingle. These things help in reducing employee turnover in an organisation.

5.3 Limitations of the study

The major limitation of the study was that the interviews were taken of few employees because it is not possible to interview on a large scale without proper funds available. Hence, it gives only a view of few people who left their jobs. So, the data can not express all the reasons for leaving job. Also, it is not possible to say if the data collected is reliable. It is possible that the interviewees have not stated all the reasons for leaving the job, and if they might or might not have given honest answers to all questions.

Bibliography

- Armstrong, M. (2010). *Armstrong's Handbook of Reward Management Practice: Improving Performance through Reward* (3rd ed.). London: Kogan Page Limited.
- Chand, M., & Katou, A. A., (2007) *The impact of HRM practices on organisational performance in the Indian hotel industry*. Retrieved from: <http://www.emeraldinsight.com/journals.htm?articleid=1634384&show=pdf>
- Cook, M. (2004). *Personnel Selection: Adding value through people* (4th ed.). New York: John Wiley & Sons, Inc.
- Correctional officer turnover: of Maslow's needs hierarchy and Herzberg's motivation theory (2009). Retrieved from Web site: <http://www.entrepreneur.com/tradejournals/article/202519031.html>
- Employee Retention (2005). Retrieved from Web site: [http://wfnetwork.bc.edu/glossary_entry.php?term=Retention,%20Definition\(s\)%20of&area=All](http://wfnetwork.bc.edu/glossary_entry.php?term=Retention,%20Definition(s)%20of&area=All)
- Employee Turnover and Retention (2010). Retrieved from Web site: <http://www.cipd.co.uk/subjects/hrpract/turnover/empturnretent.htm>
- Employee Turnover (2007). Retrieved from Web site: <http://retention.naukrihub.com/employee-turnover.html>
- Employee turnover is expensive (2004). Retrieved from: <http://www.super-solutions.com/pdfs/EmployeeTurnoverExpensive2004.pdf>
- Fisher, C. (2007). *Researching and Writing a Dissertation: A Guide Book for Business Students* (2nd ed.), *Collecting and Analysing Research Material* (pp. 152-264). Harlow: FT Prentice Hall.
- Gallie, D., White, M., Cheng, Y., & Tomlinson, M. (1998). *Restructuring the Employment Relationship*. Oxford: Oxford University Press.
- Go, F. M., Monachello, M. L., & Baum, T. (1996). *Human Resource Management in the Hospitality Industry, Motivation* (pp. 79-104). New York: John Wiley & Sons, Inc.
- Importance of Employee retention (2007). Retrieved from Web site: <http://retention.naukrihub.com/importance-of-employee-retention.html>
- Jones, P. (1996). *Introduction to Hospitality operations*. London: Continuum.

- Khatri, N., Budhwar, P., & Fern, C. T. (n.d). *Employee turnover: Bad attitude or poor management?* Retrieved from:
http://www3.ntu.edu.sg/nbs/sabre/working_papers/12-99.pdf
- Kusluvan, S. (2003). *Managing Employee Attitudes and Behaviours in the Tourism and Hospitality Industry*. New York: Nova Science Publishers, Inc.
- Marchington, M., & Wilkinson, A. (2008). Human Resource Management at work (4th ed.), *Motivation and Pay Systems* (pp. 455-460). London: Chartered Institute of Personnel and Development.
- MENAFN (2008). Middle East Hotel Industry faces high attrition rates. *Khaleej Times*. Retrieved from Web site:
http://www.menafn.com/qn_news_story_s.asp?storyid=1093195031
- Mullins, L. J (1998). *Managing People in the Hospitality Industry* (3rd ed.), *The nature of hospitality industry* (pp. 10-16). Harlow: Addison Wesley Longman Limited.
- Quijano, R. (1994). *Staff Turnover and Delays in Recruitment*. Retrieved from: http://www.unju.org/data/reports/1994/en94_07.pdf
- Recruitment and Retention. (2002). *A public service workforce for the twenty-first century*. London: Audit Commission.
- Reducing Employee turnover in Hospitality industry (2010). Retrieved from Web site: <http://www.articleclick.com/Article/Reducing-employee-Turnover-In-Hospitality/600>
- Roy, S. (2010). *IT majors reboot employee retention strategies*. Retrieved from Web site: <http://in.biz.yahoo.com/101101/50/bawgzi.html>
- Saunders, M., Lewis, P., & Thornhill, A. (2009). Research Methods for Business Students (5th ed.), *Understanding research philosophies and approaches* (pp. 106-130), *Formulating the research design* (pp. 138-160). Harlow: FT Prentice Hall.
- Singh, P. K. (2007). *Attrition rate likely to double by 2010*. Retrieved from Web site:
<http://www.expresshospitality.com/20071130/hospitalitylife04.shtml>
- Taylor, S. (2008). People Resourcing (4th ed.), *Staff Turnover and Retention* (pp. 431-452). London: Chartered Institute of Personnel and Development.
- Taylor, S. (1998). Employee Resourcing, *Absence and Turnover* (pp. 205-227). London: Chartered Institute of Personnel and Development.

- TNN (2006). Hotel Industry faces attrition at the top level. *The Times of India*. Mumbai, India. Retrieved from Web site:
<http://timesofindia.indiatimes.com/biz/india-business/Hotel-industry-faces-attrition-at-the-top-level/articleshow/1529251.cms>
- Turnover rates by industry (2007). Retrieved from Web site:
http://compforce.typepad.com/compensation_force/2008/02/2007-turnover-r.html
- Villegas, R. (2006). *Training is not enough*. Retrieved from Saipan Tribune Web site:
<http://www.saipantribune.com/newsstory.aspx?cat=3&newsID=62172>
- What is Employee retention? (2007). Retrieved from Web site:
<http://retention.naukrihub.com/retention.html>